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**CONTACT:** Laura Capps/ Melissa Wagoner  
(202) 224-2633

**KENNEDY: TOMORROW AMERICA GETS A RAISE**

***AFTER 10 YEARS, HOPE IS ON ITS WAY***

WASHINGTON, DC— Today, Senator Kennedy delivered the following statement on the floor of the United States Senate in advance of the minimum wage increase that will go into effect tomorrow, July 24th. Senator Kennedy led the fight for this increase and his bill was passed earlier this year and signed into law in May. Below is a transcript of his statement and a fact sheet on the legislation and the issue.

"Tomorrow, we'll celebrate the first increase in the minimum wage in 10 years. That will be the first increase in the minimum wage. It will be increased to \$5.85 an hour. The follow on phases will increase it by an additional 70-cent, an additional follow on 70-cents meaning new hope and opportunity for 13 million men and women, primarily women, because it is the women, more than 65% of the women, are the million wage

workers.

It will benefit six million children because more than half of these women that will benefit from the increase in the million wages have children. So it will benefit the children. This means hope is on its way.

It has been a long time. We have heard there are those that say, well, with the increase in the minimum wages this will cost jobs. It will work hardship on these people. That's what they have said on every increase. This is the 11th increase in the million wage and they have been wrong every other time.

At the current time the strongest economy in Western Europe is paying \$9.98 and they lifted two million children and have lifted three million workers out of poverty. If Ireland it is \$11 an hour and they have the strongest economy in all of within Europe and they have reduced child poverty by 40% in four years and their economy is strong. So \$5.85 in this great country at this time is just a statement that many of us believe that work should pay and that people that work 40 hours a week 52 weeks of the year should not live in poverty."

**THE IMPACT OF THE FAIR MINIMUM WAGE ACT**

**Increasing the minimum wage will make an immediate and significant difference in the lives of millions of hard-working Americans.**

- An estimated 13 million Americans will benefit from an increase to \$7.25 an hour – 5.6 million directly, and another 7.4 million indirectly. More than sixty percent of these workers are women, and almost forty percent are people of color.
- Almost eighty percent of those who benefit are adult workers, not teenagers seeking pocket change.

- This raise means that minimum wage earners will almost immediately earn an additional \$1,500 to help support their families. When the full increase takes effect in 2009, these workers will see a total increase of \$4,400 per year – enough for a low-income family of three to buy:
  - 15 months of groceries
  - 19 months of utilities
  - 8 months of rent
  - Over two years of health care
  - 20 months of child care
  - 30 months of college tuition at a public, 2 year college

### **Increasing the minimum wage will help combat poverty in our nation.**

The number of Americans in poverty has increased by 5.4 million since President Bush took office. 37 million Americans currently live in poverty, including 13 million children.

- Among full-time, year-round workers, poverty has increased by 50 percent since the late 1970s.
- This increase to the minimum wage, combined with the federal Earned Income Tax Credit (EITC) and the food stamps program, will bring a family of four above the poverty line. It will benefit an estimated 6.4 million children of low-income workers.
- Britain has the second largest economy in Europe (after Germany). They implemented a minimum wage in 1999 that has had no adverse employment effects, and has lifted 1.8 million British children out of poverty. They raised their minimum wage to about \$9.58 per hour last year, and they are planning to raise this rate to about \$9.96 in October of this year.

### **Increasing the minimum wage restores lost value.**

Every day minimum wage workers waited for a raise, the minimum wage lost value, and workers have fallen farther and farther behind. This raise restores the purchasing power of minimum wage workers.

- Since the minimum wage was last raised in 1997, its real value has eroded by 22 percent. Before this raise, minimum wage workers had lost all of the gains of the 1996-1997 increase.

- Even with this increase, the real value of the minimum wage will still be \$2.25 below what it was at its peak in 1968. To have the purchasing power it had in 1968, the minimum wage would have to be \$9.50 an hour today, not \$5.15.

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